

Honduras

Summary

1984-1990: The US pressures Honduras into hosting and training Nicaraguan contras in return for aid money. By 1985 President Suazo Cordova is receiving on the order of \$230 million a year from his US partners. Death squad activity and human rights abuses drastically increased shortly after.

Nicaragua

Summary

1937: Somoza dictatorship begins.

1978: Opposition unites.

1978-1979: US tries to replace Somoza, but is against FSLN.

1979: Sandinistas take power.

1980: FSLN government nationalises Somoza land.

1981: US works to overthrow Sandinistas, with UK support.

1982-1987: CIA, NSC and US's Contra rebels' devastating war.

1984: US condemned by the World Court for mining harbours.

1986: US's Iran-Contra funding is revealed. World Court orders US to pay \$17 billion to Nicaragua. The U.S. never pays.

1987: Peace agreement.

1988-1990: US aids opposition, gets Chamorro elected.

2001: IMF & World Bank ruination.

2002: USA resumes military aid.

2003: US free trade agreement.

2004: 80% of World Bank debt wiped.

1937:

General Somoza elected president, heralding the start of a 44-year-long dictatorship by his family. [1]

1956:

General Somoza assassinated, but is succeeded as president by his son, Luis Somoza Debayle. [1]

1961:

Sandinista National Liberation Front (FSLN) founded. [1]

1967:

Luis Somoza dies and is succeeded as president by his brother, Anastasio Somoza. [1]

1978:

Assassination of the leader of the opposition Democratic Liberation Union, Pedro Joaquin Chamorro, triggers general strike and brings together moderates and the FSLN in a united front to oust Somoza. [1]

1978-1979:

The Carter Administration attempts to use the Organization of American States (OAS) as the "outside catalyst" that could usher Somoza out and usher in that "moderate third choice." Somoza refuses to step down. [2]

1979:

The Carter Administration decides to remove Somoza from power unilaterally, to orchestrate the transfer of government to moderate forces and to salvage the U.S.-created National Guard in order to forestall a complete Sandinista victory. Even as Somoza's widely despised praetorian army rampage through civilian sectors of Nicaragua, indiscriminately killing teenage boys and girls, U.S. officials labor to find a means to save the National Guard. "Some national security forces must remain to maintain order after Somoza's departure," Ambassador Pezzullo wrote in a June 30, 1979, cable entitled "National Guard Survival." "Otherwise the vacuum we all wish to avoid will be filled by the FSLN [Sandinista National Liberation Front], with all the negative consequences that would bring." With "careful orchestration we have a better than even chance of preserving enough of the GN to maintain order and hold the FSLN in check after Somoza resigns." [2]

Somoza departs for Florida at 4:00 a.m. on July 17; Francisco Urcuyo, the U.S.-backed "interim" president, balks on his agreement to call for an immediate cease-fire with the guerrilla forces and pass the reins of government to the Sandinistas' provisional junta; and within hours, the National Guard utterly disintegrate. Two days later, Sandinista troops march, unopposed, into Managua and the revolution becomes a reality. [2]

Attempting to salvage what influence it could in the face of a Sandinista victory, the Carter Administration shift its policy from one of counterrevolution to one of cautious accommodation. Employing economic aid as an enticement to moderate the course of the revolution, the Administration advance \$15 million in emergency reconstruction aid and push a \$75 million assistance package through Congress. And in September 1979,

the Sandinista *comandantes* are invited to meet with Jimmy Carter at the White House.

[2]

1980:

Somoza assassinated in Paraguay; FSLN government led by Daniel Ortega nationalises and turns into cooperatives lands held by the Somoza family. [1]

1981:

Ronald Reagan comes into office predisposed to replace President Carter's carrot, economic aid, with a heavy stick. [2]

Within several weeks the Administration releases its first "White Paper" on Central America, charging that the Soviet Union, Cuba and Nicaragua are together funnelling massive amounts of arms to fuel the insurrection in El Salvador—charges that later turn out to be severely distorted. And, within a couple of months, U.S. officials are already contemplating destabilization programs, using Nicaraguan exiles and economic sanctions to undermine the Sandinista revolution. [2]

December – Ronald Reagan authorises CIA paramilitary operations against Nicaragua.

[2]

Britain provides strong diplomatic support to US and nod and wink to 'security' company, KMS, to train and recruit contra guerillas and conduct gun-running operations. [3]

1982:

US-sponsored attacks by Contra rebels based in Honduras begin; state of emergency declared. [1]

Edgar Chamorro, a former FDN public relations director who played a major role in the Contra myth-making process, agreed that they were not "freedom fighters," nor were they the nationalist, independent force depicted by the Reagan Administration. "We were a proxy army, directed, funded, receiving all intelligence and suggestions, from the CIA," Chamorro wrote in his book, *Packaging the Contras*. "We had no plan for Nicaragua, we were working for American goals." [2]

Starting with the FDN in August 1981, every major Contra coalition formed over the next seven years was made-in-the USA. [2]

1983:

The war on the ground quickly takes a discernible toll on Nicaragua's economy and social order. "Fighting in the countryside has reduced traditional seasonal labor migration and cut into harvests," notes a June 1983 CIA National Intelligence Estimate on the insurgency. [2]

Even with Contra forces fighting in the Nicaraguan countryside, U.S. paramilitary strategies call for ever more dramatic and devastating assaults against the Sandinistas.

In his book *Veil: The Secret Wars of the CIA 1981-1987*, on the late William Casey, journalist Bob Woodward records the CIA director ordering his subordinates: "Let's

make them sweat. Let's make the bastards sweat." Accordingly, the CIA, and later the NSC, take a direct operational role in special paramilitary attacks on Nicaraguan installations. Economic sabotage focuses on oil storage tanks and pipelines, port facilities, communication centers and military depots, causing hundreds of millions of dollars in damages. As a propaganda ploy, the Contras claim credit for these attacks; in reality they played no part. [2]

Paramilitary sabotage on the ground was supplemented by the Reagan Administration's concerted program of punitive economic sanctions against Nicaragua. In its 1985 State Department booklet, "Misconceptions about U.S. Policy Toward Nicaragua," the Administration promoted the myth that "the U.S. Government has not imposed any form of economic boycott on Nicaragua" and was not "trying to strangle Nicaragua economically." But, as documents in this set suggest, strangling Nicaragua economically was precisely the policy of the United States. First bilateral aid and then all economic trade was terminated. In addition, U.S. officials orchestrated an "invisible blockade" of multilateral bank credits to Nicaragua. Some loans from the World Bank or the Inter-American Development Bank (IDB) were simply vetoed; where a U.S. veto was not possible, Administration officials quietly moved "to persuade the Managements of the [multilateral development banks] not to bring these loans forward," according to internal Treasury Department memorandum (memoranda?~) included in this collection. "We did help effect [Treasury Department] interventions in the IDB and World Bank to not go ahead and lend to Nicaragua," stated one former NSC official. After September 1983, Nicaragua received no further loans from the World Bank or the IDB.[2]

The Reagan Administration also attempted to pressure U.S. allies in Europe and Latin America to halt their economic trade with, and aid to, Nicaragua. "We were very active in trying to reduce Western financial flows," admitted a former NSC official. [2]

In addition to the CIA and U.S. monetary agencies, the Pentagon played a key—and largely unreported—role in the Reagan Administration's LIC approach to Nicaragua. On July 12, 1983, President Reagan directed Secretary of Defense Caspar Weinberger to aid the CIA's Contra war: "The Department of Defense will provide maximum possible assistance to the Director of [Central Intelligence] in improving support to the Nicaraguan resistance forces." The Pentagon's assistance to the covert war took a number of forms: In 1983 and 1984, Department of Defense (DOD) collaborated with the CIA on "Operation Tipped Kettle," a joint operation to acquire armaments captured by Israel from the PLO during the siege of Lebanon, and transfer them to the Contras. During the same time period, the Pentagon conducted "Operation Elephant Herd," a covert program to help the CIA circumvent congressional budget restrictions on the Contra war by transferring "surplus" DOD planes and other equipment to the Agency free of charge. U.S. special operations forces conducted support operations on behalf of

the Contras, and, in 1986, the Pentagon began training Contra commanders in tactical insurgency warfare at military bases in the United States. [2]

An unprecedented U.S. military build-up in Central America, undertaken as part of a series of highly visible military maneuvers along Nicaragua's coasts and near its borders, represented the largest Pentagon contribution to the U.S. war against the Sandinistas....With Sandinista government coffers already drained from the fight against the Contras and the unofficial U.S. economic blockade, the constant threat of direct U.S. military intervention forced Nicaraguan leaders to divert personnel and resources from non-military programs into preparing for the worst-case war scenario. [2]

President Reagan's July 1983 directive also called for a "public affairs action plan...to educate and heighten the perceptions of the American people regarding the situation in Central America and the dangers posed by the Marxist/Leninist government of Nicaragua." [2]

1984:

Daniel Ortega elected president; US mines Nicaraguan harbours and is condemned by the World Court for doing so. [1]

January-April - CIA operatives known as Unilaterally Controlled Latino Assets (UCLAs) sow mines in major Nicaragua ports on both the Pacific and Atlantic side of the country. The Contras begin issuing communiqués, drafted by the CIA, warning the shipping insurance company, Lloyd's of London, that freighters and tankers entering Nicaraguan harbors risk major damage. [2]

The explicit purpose of the mining operations, North and NSC colleague, Constantine Menges, report to McFarlane in a top-secret March 2, 1984, memorandum entitled "Special Activities in Nicaragua," is "to severely disrupt the flow of shipping essential to Nicaraguan trade during the peak export period." In order to "advance our overall goal of applying stringent economic pressure" and to "further impair the already critical fuel capacity in Nicaragua" they recommend an even more dramatic operation—to sink an oil tanker in a Nicaraguan harbor. "It is entirely likely that once a ship has been sunk, no insurers will cover ships calling in Nicaraguan ports," states the memorandum, effectively ending Nicaragua's access to Western petroleum. McFarlane authorizes the plan and briefs President Reagan on March 5. But the operation never comes to fruition, perhaps because the CIA's mining of Nicaragua's harbors explodes into an international scandal three weeks later. [2] [6]

October – Congress terminates funding for the CIA's Contra operations, but NSC takes over operational control of the rebel war. [2]

1986:

The Pentagon begins training Contra commanders in tactical insurgency warfare at military bases in the United States. [2]

25th June - The House of Representatives reverses its previous position and passes Reagan's request for \$100 million in funds for CIA/Pentagon support for the Contras. [2]

5th October - As the CIA prepares to disburse the \$100 million in new funding, an antiquated cargo plane used by the NSC-run "Enterprise" is shot down over southern Nicaragua. The story told by the lone survivor of the crash, Eugene Hasenfus, coupled with the discovery in Oliver North's files of a memorandum which stated that \$12 million in "residual funds" from the sale of arms to Iran "will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces," leads to the now famous Iran-Contra scandal and the denouement of the official Contra program. [2] [4] [5]

The World Court orders the US to pay \$17 billion to Nicaragua. The U.S. never pays. [11]

1987:

August - Nicaraguan leadership signs peace agreement and subsequently holds talks with Contra. [1]

The U.S. sponsored war has left 50,000 dead and reduced the country to poverty. [7]

1988:

3rd February - The House of Representatives narrowly rejects a White House request for \$36 million in new war funds. Although Congress agrees to continue non-lethal assistance to the Contras, official military aid comes to an end, as does the Administration's hopes for a Reagan Doctrine victory. [2]

Hurricane leaves 180,000 people homeless. [1]

1989:

The new Administration of President George Bush chooses to make virtue out of necessity: because congressional opposition to aiding the Contras was impossible to overcome, the Bush White House shifts its focus to the more promising path of fostering an internal front against the Sandinistas and the February 25, 1990, elections.

Old-guard Contra leaders are removed from the payroll as Bush officials close down Contra offices in Washington and Miami. While the new Administration maintains the Contra option through a bipartisan agreement with Congress to send \$66 million in non-lethal assistance to the Contras in 1989, Assistant Secretary of State for Inter-American Affairs Bernard Aronson informs Contra commanders that after the February 1990 elections only repatriation aid would be available. [2]

Under the Bush administration Contra leaders are urged to return to Nicaragua and participate. U.S. advisors work closely with the National Opposition Union, fashioning an electoral strategy and campaign for presidential candidate Violeta Chamorro and her running mate, Virgilio Godoy. [2]

The CIA draws up a major covert plan to influence the election, only to meet stiff resistance from the House intelligence committee. White House officials make it clear

that they reserve the option to funnel covert funds to the political opposition, even as they agree with Congress to send \$9 million in overt assistance through the National Endowment for Democracy (NED). Since NED is prohibited from spending money to finance campaigns for public office, the Bush Administration claims the funds are intended to assist "political organizations, alliances, independent elements of the media, independent labor unions, and business, civic and professional groups...to ensure the conduct of free, fair and open elections." [2]

1990:

25th February - Extensive U.S. efforts to install a new government through the electoral process come to fruition. The upset victory of Violeta Chamorro and the National Opposition Union coalition is judged free and fair by international monitors, including former President Jimmy Carter. Given the catastrophic economic crisis wrought by 10 years of U.S. low-intensity warfare against Nicaragua, the Sandinista loss is hardly surprising, despite pre-election polls that had predicted an overwhelming Sandinista victory. Indeed, while White House officials laud the opposition for their democratic triumph—and even compliment the Sandinistas on the conduct of the elections—the vote represents the predictable culmination of a decade of concerted U.S. efforts to reverse the Nicaraguan revolution and unseat the Sandinista government. [2] [10]
Chamorro's state visit to the USA in April 1991 is the first by a Nicaraguan president for over 50 years. In exchange for Nicaragua dropping its claim to the damages of \$17 billion awarded it by the World Court against the USA, President Bush pledge economic support for Nicaragua, whose total international debt is almost \$10 billion. The cost to Nicaragua of the US economic and Contra warfare was estimated at \$15 billion, with 30,000 people killed. [11]

1992:

June - US aid is suspended because of concern about the extent of Sandinista's influence in Chamorro's government. In an effort to end the suspension, Chamorro dismisses 12 high-level police officers linked with Sandinista. [11]

Earthquake renders 16,000 people homeless. [1]

1996:

Arnoldo Aleman becomes president after questionable election. [9]

1998:

Hurricane Mitch causes massive devastation. Some 3,000 people are killed and hundreds of thousands are left homeless. [1]

2000:

FSLN win Managua municipal elections. [1]

2001:

November - Liberal party candidate Enrique Bolaños beats his Sandinista party counterpart, former president Daniel Ortega, in presidential election. [1]

A decade of IMF and World Bank tutelage has left Nicaraguans with the most crushing debt burden in the hemisphere, 70 percent of its people in poverty, and—alone among Latin Americans—less income per person than they had 40 years ago. [12]

2002:

March - Opposition Sandinista party re-elects Daniel Ortega as its leader despite his three consecutive defeats since 1990. [1]

USA resumes military aid to Nicaragua for the first time since 1979. [11]

August - Former president Arnoldo Aleman charged with money laundering, embezzlement during his term in office. [1]

2003:

December - Arnoldo Aleman jailed for 20 years for corruption. [1]

Nicaragua - along with Guatemala, Honduras, El Salvador - agrees on free trade agreement with US. [1]

2004:

January - World Bank wipes 80% of Nicaragua's debt to the institution. President Bolaños says it is the best news for the country in 25 years. [1]

July - Agreement with Russia to write-off Nicaragua's multi-billion-dollar Soviet-era debt. [1]

November – Rumsfeld's visit Nicaragua looks ominous. [8]

Panama

Summary

1901-1968: US control.

1903: Split from Colombia.

1914: Panama Canal opens.

1930s-40s: Some concessions.

1952-68: Oligarchic government.

1958-1964: Campaign for equal status. Clashes with US troops.

1968: Torrijos coup.

1968-86: The populace benefits.

1977: Canal treaties.

1981: Torrijos killed.

1983: Manuel Noriega commander of armed forces.

1984: US/Noriega election fraud.

1985: Noriega falls from US favour.

1986-1989: Power struggles. US interferes and finally invades to install its chosen government.

1991: Reforms and privatisation.

1992: US sentences Noriega.

1999: Panama takes control of canal.

2004: Torrijos president.

1898:

Quick victory against Spain in the Spanish-American War yields four ports to U.S.: Cuba, Puerto Rico, Philippines, Guam. [1]

1901:

Nov.20-Dec.4 - U.S. troops used to protect U.S. property and to keep transit lines open. [1]

1902:

Sept.17-Nov.18 - U.S. troops used to keep the railroad open. [1]

1903:

A U.S. military show of force facilitates Panama's breakaway from Colombia in November. The Hay-Bunau-Varilla treaty is then negotiated for the building of a canal. U.S. troops become a permanent presence. [1]

1904:

Extra U.S. troops to prevent insurrection during elections. [1]

Meanwhile, U.S. policy undermines and weakens the national army. By this time, no Panamanian could become president without the consent of the U.S. Government. [1]

1908:

Extra U.S. troops to prevent insurrection during elections. [1]

1912:

Extra U.S. troops to prevent insurrection during elections. In May, the U.S. Government appoints a commission of high-ranking U.S. Army officers to count the votes in June elections. [1]

1914:

Panama Canal opens. Conditions are in place for creation of those dialectical opposites, Repression and Resistance. [1]

Oligarchy: land and money for the few; 90 percent are excluded. [1]

Wages: in the Canal Zone U.S. employees receive more than twice the wage that Panamanians receive. [1]

Segregation: a system of apartheid like the Jim Crow laws in U.S. (water fountains were gold for whites and silver for non-whites). [1]

U.S. control of a 10-mile-wide Canal Zone in the middle of the country. [1]

1915:

The U.S. Government disarms the national police and takes over basic control of the judiciary, educational, health and public work systems. [1]

1918-20:

Extra U.S. troops to provide police duty at Chiriquí (western Panama) during election disturbances and subsequent unrest. In 1918, President Ciro Urriola postpones the elections, a decree that the U.S. Government considers unconstitutional; the U.S. Government orders the decree revoked and U.S. troops occupy Panama City and Colón. [1]

1920:

Major labor strike directed by William Preston Stoute, who is banished from the country. [1]

1925:

Oct.12-23 - Extra U.S. troops used to keep order and protect U.S. interests during the tenants' movement (rent strikes). [1]

1926:

Kellogg-Alfaro treaty places the Panamanian Army under U.S. control and commits Panama to declaring war against any nation in conflict with the U.S. (Revoked years later.) [1]

1930s-40s:

U.S. Government is occasionally forced to make concessions. For instance, in exchange for more U.S. military sites outside the Canal Zone on the eve of entering World War II, the U.S. Government cancels some debt, gives monetary compensation for the sites, transfers to Panama certain properties of the Panama Railroad Company and control over the water and sewer systems of Panama City and Colón, grants some jurisdictional control to Panama, etc. [1]

1947:

The Filos-Hines agreement is an attempt to extend the presence of the 140 U.S. army military bases used during World War II, but Panamanians eventually force its revocation. [1]

1952-68:

As an example of oligarchic government, during this period there are four presidents all of whom are cousins. [1]

1954:

Elected government of Arbenz is overthrown in Guatemala by CIA, increasing understanding of U.S. goals in Latin America. [1]

U.S. Supreme Court passes school desegregation decision. Developing U.S. Civil Rights Movement has profound influence in Panama. [1]

1955:

U.S. Government agrees to pay more for Canal expenses; to let Panama collect taxes from employees there excepting U.S. citizens and some others; to restore a little property to Panama. [1]

1958:

Campaign demanding equal status for Panamanian language and flag in the Canal Zone. The Eisenhower Administration agrees both flags can fly at a specified place. [1]

1959:

January 1 - Cuban Revolution triumphs, profoundly influencing the Panamanian populace. Disturbances occur in each of the first four months of this year. [1]

On Independence Day Panamanians march into the Canal Zone to raise the Panamanian flag; U.S. troops turn them back. U.S. Government begins to convert police force into full-fledged military, the very military that the U.S. Government later fears because of its potential as a nationalist force. [1]

1964:

January 9 - U.S. students raise U.S. flag by itself at high school in Canal Zone. Panamanians march into Zone and are turned back by U.S. troops. This leads to two days of demonstrations during which U.S. troops kill more than 20 civilians and wound more than 300. Panama breaks diplomatic relations and demands revision of treaties. Relations resume in April after U.S. Government agrees to discuss treaties. [1]

1968:

October 11 - The National Guard, under Col. Omar Torrijos, overthrows the oligarchy and installs a junta from which Torrijos emerges the leader. He heads armed forces 1968-81. Any leader in Panama has two choices: be a puppet of U.S. Government without any real power or assert some independence, forcing reliance on nationalist base. Torrijos is not part of oligarchy; his base comes from the dispossessed. Under his leadership, the Panamanian Defense Forces becomes part of the movement for national liberation which includes the movement for liberation of Third World peoples in Panama. [1]

1968-86:

Public schools grow from fewer than 2,000 to more than 3,000. [1]

Infant mortality decreases from 40 to 25 per 1,000 live births. [1]

Social security is extended by more than 1 million. [1]

Roads and electricity are brought to rural areas. [1]

Labor unions grow. [1]

Blacks are appointed to ministerial positions. [1]

1972:

Junta confirmed by election. Torrijos remains at head of armed forces. [1]

1977:

Three treaties known as the Carter-Torrijos treaties are signed, arranging for the return of the Panama Canal Zone to Panama by the year 2000--specifically at midnight 12/31/99. [1]

1979:

October 1 - Treaties take effect; 65 percent of the Zone is returned to Panama. U.S. has responsibility of operating and defending Canal through December 31, 1999, but not after that. [1]

1981:

January - Reagan Administration takes office, with Reagan's commitment not to "lose" the Canal. [1]

July 31 - General Omar Torrijos is killed in an airplane crash. [1]

1983:

August - General Manuel Noriega takes over as commander of armed forces. Legislature creates the Panamanian Defense Forces with tremendous powers (control over National Guard which is merged into it, other military and police forces, Canal matters, and functions such as immigration control and regulation of civilian aircraft). Noriega has been working with CIA since 1959 (as contract agent since 1966 or 1967) but he too faces a choice if he wants to achieve real power. [1]

1984:

May 6 - Presidential election is a fraud arranged by the U.S. Government and Noriega. Nicolás Ardito Barletta, former official of the World Bank, wins. Secretary of State George Shultz attends inauguration of his protégé (Ardito Barletta had been an assistant to Shultz when Shultz was University of Chicago professor) to praise the election as democracy in action. [1]

1985:

17th December - Noriega later said that he learned of U.S. Government plan to invade Nicaragua on this date during a meeting with U.S. National Security Adviser, Admiral John Poindexter; he said his failure to cooperate was the reason for U.S. drug indictments (2/88). From this time on, U.S. Government is concerned about Noriega who is not just working for the U.S. Government any longer but with countries like Cuba and Nicaragua. [1]

1986:

The U.S. Government proposes turning administration of Canal over to Panama by 1990 if U.S. bases can remain until 2015. [1]

February - U.S. appoints Arthur Davis as U.S. ambassador to Panama. Panamanian progressives consider this an important step in the Reagan-Bush strategy to regain total power in Panama. [1]

1987:

6th June - Col. Roberto Díaz Herrera, 2nd in command of Panamanian Defense Forces (PDF), accuses Noriega of electoral fraud and murder and sets off first anti-Noriega protests suppressed by police. U.S. Government dates "political crisis in Panama" to mid-1987. [1]

10th June - President Eric Delvalle, installed by Noriega, declares state of emergency. Opposition announces creation of Civic Crusade, which U.S. Government aids. [1]

24th September - U.S. Senate unanimously approves non-binding resolution urging Panama to establish civilian government or face cutoff of U.S. aid. [1]

1988:

17th January - The New York Times reports that Assistant Secretary of Defense Richard L. Armitage made a secret mission to Panama early in January during which he told Noriega "to get out of politics within three months so that the country could have a cushion of civilian rule before elections next year." [1]

4th February - Noriega is indicted by two Federal grand juries in Tampa and Miami on charges of taking \$5.4 (Tampa indictment) and \$4.6 (Miami) million dollars from Medellín drug cartel to protect cocaine smuggling and money laundering operations in Panama. [1]

8th February - Noriega demands withdrawal of U.S. Southern Command, which has its headquarters in Panama. [1]

25th February - President Delvalle announces he has fired Noriega, but the National Assembly blocks this move by ousting Delvalle on the following day. U.S. Government continues to recognize Delvalle as president. The National Assembly names Education Minister Manuel Solís Palma minister in charge of the presidency. [1]

4th March - Panama closes banks after huge withdrawals by depositors. [1]

11th March - The Reagan Administration imposes sanctions, including elimination of trade preferences and withholding Canal fees. [1]

16th March - Noriega puts down coup attempt led by police chief. [1]

April - The Reagan Administration increases economic sanctions; Reagan prohibits U.S. companies and Government from making payments to Panama and freezes \$56 million in Panamanian funds in U.S. banks. U.S. Government begins to send more than 2,000 additional troops. [1]

8th May - Panama banks open for limited withdrawals after two-month closure. [1]

25th May - U.S. Secretary of State Shultz announces talks on deal for Noriega departure have collapsed. [1]

July - It was exposed (after failed coup attempt 10/89) that the Senate Intelligence Committee in July 1988 opposed covert plan to overthrow Noriega ("Panama 3", the 3rd coup plan considered by CIA) approved by Reagan; Senate Committee feared Noriega would be killed during coup. [1]

1989:

7th May - Presidential election: Carlos Duque vs. Guillermo Endara. U.S. Government gives \$10 million overtly (how much covertly?) to Endara campaign (equivalent to \$1 billion given to candidate in U.S., although of course it is illegal for a U.S. candidate to accept election funds from foreign sources). Election results are annulled by the Panamanian Government 5/10/89. The Bush Administration sends 2,000 more troops. From this time on, U.S. Armed Forces stage regular military maneuvers in Panamanian territory in violation of treaties. U.S. forces carry out military exercises in the "white" areas that were returned to Panama in 1979 (as opposed to "green" areas still under U.S. control), as well as in outlying areas. [1]

11th May - President Bush recalls Ambassador Arthur Davis and plans to dispatch about 1,700 soldiers and 165 marines in phases to reinforce troops already in Panama. [1]

June - U.S. Justice Department issues statement that U.S. law-enforcement agents may arrest fugitives in foreign countries even if host governments don't approve, preparing the way for the arrest of Noriega after invasion. [1]

1st September - Provisional President Francisco Rodríguez takes office as President Solís Palma's term expires. [1]

12th September - The Bush Administration expands sanctions, including withdrawal of 1989 sugar quota and lengthening the list of companies and individuals barred from receiving payments from U.S. citizens. [1]

3rd October - Noriega puts down another coup attempt which was aided by U.S. Government. [1]

17th October - The Bush Administration says it supports wider latitude for CIA during coup attempts, complaining that restraints about possible death of targets are too limiting. [1]

27th October - U.S. Treasury Department formally announces that Noriega has been designated an agent of Cuba, meaning U.S. citizens are prohibited from doing business with him. Noriega's wife, various associates, and many companies are declared agents either at the same time or soon afterward. [1]

November - The U.S. Government announces that after 1/31/90 it will bar vessels registered in Panama from U.S. ports. [1]

16th November - Bush Administration confirms a plan for another coup to oust Noriega. Called Panama 5 (there were 4 previous plans), it has a \$3 million budget. The aim is not assassination but if that were to happen, "that's not constrained," a Government official says. The CIA is supposed to be bound by a 1976 law banning its involvement in assassination plots. [1]

27th-29th November - A conference on U.S. intervention is held in Panama City by Panama's Center for International Studies to inform 118 U.S. delegates about what was happening; Panamanians expect invasion for there is a state of war without the name. [1]

15th December - Panamanian legislature names Noriega head of government and declares that Panama is in "a state of war" with U.S. [1]

20th December - U.S. invasion leads to arrest of Noriega and installation of a government suitable to Washington. [1] [2] Britain is only major state to unstintingly support US. [3]

1991:

Parliament approves constitutional reforms, including abolition of standing army; privatisation begins. [4]

1992:

US court finds Noriega guilty of drug offences and sentences him to 40 years imprisonment, to be served in a US prison. [4]

1999:

Mireya Moscoso becomes Panama's first woman president. [4]

December - Panama takes full control of the Panama Canal, ending nearly a century of American jurisdiction over one of the world's most strategic waterways. [4]

2000:

Moscoso announces creation of a panel to investigate crimes committed while military governments were in power between 1968 and 1989. [4]

2002:

January - President Moscoso sets up a commission to investigate corruption. The move follows large street protests against alleged graft in government circles. [4]

April - Panama removed from list of uncooperative tax havens, drawn up by Paris-based Organisation for Economic Cooperation and Development, after promising to make its tax system more transparent. [4]

2003:

September - National strike over management of social security fund paralyses public services. More than 40 hurt in clashes. [4]

2004:

May - Martin Torrijos, son of former dictator Omar Torrijos, wins presidential elections. [4]

August/September - President Moscoso pardons four Cuban exiles Havana accuses of plotting to kill Cuban President Fidel Castro. Cuba severs diplomatic ties. Newly-inaugurated President Martin Torrijos pledges to repair relations with Havana. [4]